

**USAID/Philippines**

**Operational Plan**

**FY 2006**

June 12, 2006

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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**Program Performance Summary FY 2005:** USAID programs in the Philippines focus on transforming conditions for improved prosperity, democratic governance, and security and are making major contributions to regional stability and countering terrorism. Although rich in natural and human resources, the Philippines has lagged behind its East Asian neighbors in terms of economic development over the past 30 years. An estimated 46% of the population lives below the poverty line, with Muslim Mindanao the most marginalized area of the country. The Government of the Republic of the Philippines (GRP) faces serious terrorist threats rooted in Muslim separatist and Communist insurgencies that also affect security and political stability. Internationally-linked terrorists who train and seek safe haven in areas of Mindanao threaten the security of the region and the United States. The Philippines is struggling to provide sufficient jobs, infrastructure, health and education services for its rapidly growing population, and address the conditions that terrorists can exploit. Armed conflict, widespread corruption, weak rule of law, a persistent fiscal deficit (resulting from corruption and inefficiency), a crippling public debt that eats up nearly a third of the national budget, and lagging economic competitiveness combine in a vicious cycle to undermine the effectiveness of governance. The country's globally significant biodiversity and natural resources are being rapidly depleted. The GRP is making efforts to address these challenges; its top priorities are to achieve peace in Mindanao, reduce the fiscal deficit, combat corruption, and create jobs. However, political events in 2005, which included allegations of corruption and election fraud against the administration of President Gloria Macapagal Arroyo and the subsequent filing of an unsuccessful impeachment case in Congress, have slowed the pace of progress and reform.

USAID is supporting the GRP's efforts through five major initiatives: supporting conflict resolution in Mindanao; fighting corruption and improving governance to spur private sector-led economic growth; improving the delivery of health and family planning services, including support for HIV/AIDS surveillance and prevention; promoting sustainable use of energy, forest, coastal, and marine resources; and increasing access to quality basic education and job-skills training. Approximately 60% of USAID's program resources are concentrated on the poorest, most conflict-affected areas of Mindanao, helping to demonstrate the tangible economic and social benefits of peace and security. USAID programs in the Philippines continue to directly support U.S. foreign policy goals related to counterterrorism, regional stability, economic prosperity, and democracy.

**Key Achievements:** USAID is now in the second year of a new five-year strategy (FY 2005-FY 2009) focused on enhancing security and economic growth. The strategy has five strategic program areas: Economic Governance; Family Planning and Health; Environment and Energy; Education; and Conflict Reduction in Mindanao and Other Areas. The USAID program in the Philippines supports the USAID Asia Near East Bureau's strategic priorities of: Winning the War Against Terrorism; Making National Governments Work; Creating Jobs for the 21st Century; Launching a Blue Revolution; and Training Future Leaders.

**Economic Governance:** Economic growth is held back by a weak investment climate, lack of competition, inadequate revenue generation, corruption, poor governance, poorly enforced regulations, and backlogged courts. USAID-supported activities assisted the GRP in making modest increases to overall revenue collection, as domestic taxation increased slightly from 12.3% of GDP in FY 2004 to 12.6% of GDP in FY 2005. Private sector employment for both males and females also posted modest growth rates at 1.2% and 1.3%, respectively. USAID support for the GRP's anti-corruption efforts through training and capacity building resulted in an increased conviction rate of the Office of the Ombudsman to 30% (from 6% in 2002) and helped bring about the dismissal of 19 GRP officials. There also was expanded use of alternative dispute resolution in the courts, which saw an increase of 24,774 cases referred for mediation over the preceding year. In addition, more than 112 prosecutors, law enforcers, and care providers for trafficked victims were trained on the Philippines' anti-trafficking law, and grants to non-governmental organizations helped produce a multi-media campaign on trafficking. USAID also supported voter education and domestic monitoring efforts for the orderly August 2005 elections in the Autonomous Region in Muslim Mindanao (ARMM).

**Family Planning and Health:** Lack of family planning services, micronutrient malnutrition, infectious diseases, including multi-drug resistant tuberculosis (TB), and the threat of HIV/AIDS are the major health challenges in the Philippines. With USAID support, the contraceptive prevalence rate for modern methods

showed a moderate increase amid the GRP's phase down of its contraceptive allocations to local government units. The private sector's share in the provision of family planning supplies and services increased from 33% in 2004 to 36% in 2005. USAID's performance in improving tuberculosis detection and treatment and preventing HIV/AIDS has exceeded targets set for 2005. USAID support helped lead to the increase in the number of products fortified with vitamin A, iron, and iodine, as well as the number of millers and refineries fortifying staple foods. In FY 2005, USAID-supported midwife clinics providing maternal and child health care served approximately 150,000 clients and generated approximately \$630,000 in clinic revenues. USAID also supported the clinics' provision of newborn screening services with the training of 102 of a total of 149 midwives in newborn screening, an innovation recognized by the GRP Department of Health. Efforts to improve dissemination of accurate information about voluntary family planning and improving access to family planning services are slowly but surely showing some impact. The ratio of positive to negative articles on voluntary family planning and population in national dailies increased to 7:1 in 2005 from 5:1 in 2004.

**Environment and Energy:** The Environment and Energy Program addresses four key threats to the country's energy sector and valuable natural resource base: lack of competitiveness; corruption; conflict; and inadequate conservation. Severe environmental degradation, an inefficient energy sector, and heavily polluted air and water, among other factors, undermine the competitiveness of the Philippine economy and quality of life of the Filipino people. Poor governance, corruption, and population pressure are in part to blame, and resultant conflict further marginalizes the rural poor and minority populations most dependent on natural resources for their food and livelihoods. To address these challenges, USAID works to improve management of natural resources and biodiversity, expand access to appropriate energy services, reduce pollution, and increase access to water and sanitation services. During FY 2005, USAID helped upland and coastal communities place 73,851 hectares of forest and coastal-marine areas under improved management. Rural electrification and air pollution mitigation efforts helped the country to avoid 4,083 tons of carbon dioxide emissions. A total of 16,822 rural residents from 86 villages in conflict-affected areas of Mindanao had their homes electrified, and USAID improved access to clean water for 68,404 people and sanitation for 5,700 people.

**Education:** USAID's education program is helping the GRP address the major challenges faced by the education sector including poor student performance, poor quality teacher training, shortage of teachers, classrooms and educational materials, increasing drop-out rates, and insufficient access to education for the poor and the conflict-affected. Focused on Mindanao, particularly the Autonomous Region in Muslim Mindanao (ARMM), the education program aims to increase access to quality education and livelihood skills for the most disadvantaged school age population and out-of-school youth (OSY). After one year into full implementation, USAID's education program has made significant progress in areas targeted for assistance. Education assistance provided 729 students the opportunity to graduate from vocational training programs in communities with high youth unemployment; USAID-supported primary schools or equivalent non-school-based settings enrolled 176,566 learners; 608 primary and 158 secondary schools have been supported with physical facilities improvement, training of teachers, principals and supervisors, curriculum and materials development. USAID support in the implementation of key education sector policies also resulted in the greater devolution of education management from the national level to the community level. Overall, the education program had benefited 237,000 primary schoolchildren, 23,000 secondary students, and 7,428 OSY.

**Conflict Reduction in Mindanao and Other Areas:** Activities under this objective form the cornerstone of USAID assistance in the Philippines and are a focal point of the cooperation between the United States and the Philippines aimed at finding a peaceful resolution to long-running hostilities in Mindanao. This program is focused on creating sustained economic growth, and expanding economic and social benefits, hence building widespread support for the peaceful resolution of problems in the conflict-affected areas of Mindanao. As of the end of FY 2005, 345 USAID-supported infrastructure projects (including both small and mid-scale infrastructure) had been completed, benefiting nearly 1.5 million people in conflicted affected areas. USAID assisted 232 rural banks and bank branches throughout the conflict-affected areas of Mindanao to develop their capability to profitably provide financial services to microenterprises. Collectively, the banks have provided loans to 229,200 microenterprises (85% of the borrowers have been women). USAID is also assisting 133 branches of 40 credit unions to implement best practices in

portfolio management. The membership of these credit unions has grown from 121,000 when the program started in 1999 to 604,000 in 2005. In FY 2005, USAID assisted community and municipal governments in 56 municipalities in Mindanao to increase transparency in their budgeting and planning processes. In addition, the Barangay Justice System, a community-based dispute resolution mechanism established by the Local Government Code of the Philippines, has mediated a total of 5,292 cases, 70% of which were satisfactorily resolved.

**Gender:** As part of the development of USAID's FY 2005-FY 2009 strategy, a gender assessment of the Philippines and USAID activities was conducted in 2004. The study identified gender inequity, especially in Mindanao, as a serious problem that should be considered in program development. Poor, indigenous, and Muslim women continue to have limited access to knowledge, skills, and resources. They experience higher rates of unemployment and illiteracy and are vulnerable to domestic abuse, human trafficking, and lack of food security. In addition, women occupy only 8% to 17% of all nationally elected positions in the country and suffer from relatively low earnings. On the other hand, more boys than girls drop out of school as they begin to reach grades four to six, especially in conflict-affected areas. Therefore, USAID's approach to gender is to integrate gender concerns into those programs which increase incomes, provide access to health services, provide job skills training, and enable ordinary women to participate in addressing issues directly affecting them. In addition, in the USAID education program, special attention is being given to boys in danger of dropping out of school or who have left school. Other activities that include gender concerns are: expanding economic opportunities for women (through microfinance and training); conserving natural resources by involving women more effectively; bolstering women's involvement in achieving parents' desired family size and greater participation of men in family planning; improving maternal and child health; and achieving equity in education through promotion of gender-equitable policies and practices in basic education and the formal and non-formal sectors. The assessment recommended that a Gender Committee composed of representatives from each of the program teams be organized. The Committee has been formed and will complete a Gender Plan of Action in FY 2006, specifying the gender issues to be addressed by each program, appropriate inputs, gender performance, and result indicators.

**Integrated Programming and Cross-Cutting Issues:** All strategic objectives prioritize the conflict-affected areas of Mindanao, address gender equity, and focus on improving governance and fighting corruption. In addition, some activities are being integrated across sectors to increase their impact. An example of integrated programming is the new Population-Health-Environment (PHE) activity in coastal areas that seeks to attract an increasing number of men to reproductive health training. The initiative focuses on 10 coastal villages where population growth and density exceeds national averages. Over a nine-month period, PHE established 65 private sector-led health commodity distribution centers supported by 177 trained peer counselors. Initial results showed an increasing number of male participants in traditionally women-dominated reproductive health activities, possibly due to growing recognition among fishermen of the relationship between the declining productivity of the local fishery and a growing number of mouths to feed.

**Global Development Alliances and Partnerships:** In FY 2005, USAID engaged in 15 Global Development Alliances (GDAs) and partnerships with non-traditional partners. USAID's Energy and Environment and Education programs each have an example of a successful GDA partnership. In FY 2005, USAID launched Phase 2 of the Alliance for Mindanao Off Grid Renewable Energy (AMORE 2) with Mirant Corporation, a U.S. independent power producer with major operations in the Philippines. AMORE provided electricity to 16,822 individuals in 86 remote and conflict-affected villages in Mindanao using solar and micro-hydro systems, bringing cumulative electrification totals to 42,352 people in 227 villages. To date, AMORE's village-level renewable energy associations have raised over \$180,000 from the poorest communities in the Philippines to ensure the maintenance of their energy systems. The successful AMORE alliance continued to attract new partners, including the British Embassy for provision of water systems, and Shell Solar and the Philippine National Oil Company for additional solar panels. In addition, USAID's support to the GRP Department of Energy wind energy investment bidding rounds resulted in investor expressions of interest for 16 potential wind energy sites. In cooperation with the U.S. Department of Energy and the U.S. National Renewable Energy Laboratory, USAID will explore partnerships with some of these new wind investors during FY 2006.

USAID's education program is being implemented, in part, through six public-private alliances using the GDA model. These education GDAs more than doubled the total resources available. For instance, the Education and Livelihood Skills Alliance (ELSA), led by the International Youth Foundation also includes the Ayala Foundation, Consuelo Foundation, Petron Foundation, Philippines Business for Social Progress, and the Southeast Asian Ministers of Education Organization, which provided a leverage of \$1,269,369. This Alliance helped create and expand school- and community-based learning and employment opportunities by upgrading school infrastructure, mobilizing parent-teacher-community associations, strengthening alternative learning systems, and providing opportunities for positive youth leadership engagement. The Books Across the Sea program of Brother's Brother Foundation, Rotary Club of Makati, and Allied Bank has provided 390,000 books to schools and learning centers in the ARMM and other conflict-affected areas of Mindanao; these books are valued at \$10,451,260. Through partnership with the Mindanao Business Council, Save the Children Federation, local chambers of commerce, private businesses, and the GRP's Technical Education and Skills Development Authority, USAID was able to train out-of-school youth for self employment or jobs in the areas of food processing, small engine repair, cell phone repair, and agro-industry. By the end of FY 2005, 729 youth were participating in training programs and 303 were completing apprenticeships. Forty-six of the graduates have already found employment in agro-industry, cell phone repair, and food processing and nine more established businesses. In 2005, the partnership generated a leverage of \$706,903, based on a USAID program expenditure of \$664,084.

Presidential Initiatives: USAID responded to seven Presidential Initiatives in FY 2005, which included: 1) Water for the Poor Initiative - increased access to water and sanitation services; 2) Clean Energy Initiative - creation of village-level renewable energy associations, access to appropriate energy services (solar and micro-hydro systems), promotion of energy independence, rural electrification, and improved sector governance, and increasing use of cleaner, alternatives fuels; 3) President's Initiative Against Illegal Logging - enhanced environmental governance practices, supported assessments of tenorial status of forestlands, providing sustainable livelihood options, and resource management through community consultation, environmental law enforcement, and conflict mediation; 4) Global Climate Change - technical assistance to promote use of renewable energy and cleaner fuels, and campaigns to promote "low carbon" behavior; 5) Global Fund to Fight AIDS, Tuberculosis, and Malaria - provision of quality tuberculosis treatment in regions where service delivery is especially difficult and review of the GRP's proposals on HIV/AIDS and Malaria to the Global Fund; 6) President's Emergency Plan For AIDS Relief - providing HIV/AIDS education to high-risk groups and surveillance; and 7) Faith-based and Community Initiatives - developing fatwas (religious edicts) with the Islamic religious community in support of family planning and marine resources conservation in Muslim communities.

**FY 2006 Program****SO: 492-002 Performance of Selected Government Institutions Improved****Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$466,000 DA; \$2,677,000 ESF). USAID's program seeks to build local ownership for economic policy reform through collecting, analyzing, and disseminating information; providing assistance with policy formulation; helping new civil society organizations develop sector expertise; and strengthening government institutions responsible for implementing or enforcing reform. USAID is focusing on key policy issues and government agencies, specifically in the areas of tax administration, and transport and telecommunications regulation. Principal Implementers: Carana Corporation/Nathan Associates (CC/NA), Ateneo de Manila University (Ateneo), De La Salle Angelo King Institute (De La Salle), and The Asia Foundation (TAF).

**Increase Trade and Investment**

Increase Trade and Investment (\$500,000 DA; \$1,000,000 ESF). USAID is supporting GRP efforts to reduce impediments to trade; improve customs administration; develop an improved policy implementation framework to protect intellectual property rights; promote greater competition; and increase private sector involvement and investment in the information and communications technology and transportation sectors. Principal Implementers: CC/NA, Ateneo, and De La Salle.

**Promote And Support Anti-Corruption Reforms**

Promote and Support Anti-Corruption Reforms (\$1,000,000 DA; \$3,000,000 ESF). USAID is assisting the Office of the Ombudsman, Anti-Money Laundering Council, Civil Service Commission, Commission on Audit, and other organizations to increase prosecutions of corrupt officials and reduce opportunities for corruption. USAID is promoting transparency and honest governance, increasing community participation in decision making by local government units in Mindanao, and supporting anticorruption activities, including work with media and the business community. Principal Implementers: Management Systems International (MSI) and TAF.

**Reduce Trafficking In Persons**

Reduce Trafficking In Persons (\$500,000 ESF). USAID is supporting activities that increase the effective prosecution of traffickers, protect victims, and prevent trafficking of vulnerable persons. Principal Implementers: MSI and Visayan Forum Foundation.

**Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen The Financial Services Sector and Increase Access to Capital (\$345,000 DA; \$500,000 ESF). USAID is continuing policy support for financial sector development, including creating an environment that will encourage growth of microfinance institutions. Principal Implementers: CC/NA, Ateneo, the World Council of Credit Unions, Development Alternatives Inc., and Chemonics International.

**Strengthen the Justice Sector**

Strengthen the Justice Sector (\$1,000,000 DA; \$1,000,000 ESF). In order to assist the Philippine Supreme Court's reform and modernization plan, USAID is continuing to support its successful interventions to increase access to justice for individuals and businesses. These interventions include helping to gain release for prisoners who overstayed their sentences due to administrative backlog,

promoting alternative dispute resolution, promoting continuous trial in the anti-graft and other courts, and computerizing case flow management to reduce case backlog. Principal Implementers: MSI, TAF, the American Bar Association, and the Gerry Roxas Foundation.

#### **FY 2007 Program**

#### **SO: 492-002 Performance of Selected Government Institutions Improved**

##### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$934,000 DA; \$901,000 ESF). USAID will continue to support economic policy reform in the areas of tax administration and transport and telecommunications regulation. New implementers may be added to those mentioned above.

##### **Increase Trade and Investment**

Increase Trade and Investment (\$500,000 ESF). USAID will continue existing programs that increase trade and investment, and promote greater competition and efficiency in selected sectors. New implementers may be added to those mentioned above.

##### **Promote And Support Anti-Corruption Reforms**

Promote and Support Anti-Corruption Reforms (\$250,000 DA; \$4,500,000 ESF). USAID will expand assistance to support anti-corruption activities at the national and local levels. New implementers may be added to those mentioned above.

##### **Promote and Support Credible Elections Processes**

Promote and Support Credible Elections Processes (\$651,000 DA; \$249,000 ESF). The program will provide assistance to the Commission on Elections in reforming the management and administration of Philippine elections. Principal Implementer: To Be Determined.

##### **Reduce Trafficking In Persons**

Reduce Trafficking In Persons (\$250,000 ESF). USAID will expand programs that increase the effective prosecution of traffickers, protect victims, and prevent trafficking of vulnerable persons. New implementers may be added to those mentioned above.

##### **Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen the Financial Services Sector and Increase Access to Capital (\$1,000,000 DA; \$1,000,000 ESF). USAID will continue policy support for financial sector development, including microfinance. New implementers may be added to those mentioned above.

#### **FY 2006 Program**

#### **SO: 492-003 Desired Family Size and Improved Health Sustainably Achieved**

##### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health and Nutrition (\$594,000 CSH). USAID is providing technical assistance to increase the number of micronutrient-fortified foods on the market, increase their consumption, and ensure enforcement of food fortification laws. U.S. Department of Agriculture P.L. 480 Title I funds are



contributing to the program by improving the nutritional status of pre-school and elementary school students. Principal Implementer: Academy for Educational Development.

### **Improve Maternal Health & Nutrition**

Improve Maternal Health and Nutrition (\$3,762,000 CSH). USAID is continuing to help private sector health service providers improve/expand provision of maternal health services. USAID is also continuing to use funds already transferred to the USAID Development Credit Authority credit guarantee mechanism to improve and/or expand existing midwife clinics and facilitate the generation of commercial financing for the establishment of new midwife clinics. Principal Implementers: Chemonics International and the Well Family Midwife Clinic (WFMC) Partnerships Foundation, Inc.

### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent and Control Infectious Diseases Of Major Importance (\$3,465,000 CSH). In order to increase the availability of TB diagnosis and treatment by the public sector, USAID is providing technical assistance and training to local government health personnel in up to 600 cities and municipalities. USAID is also providing technical assistance and information to private providers to improve their diagnosis and treatment of TB. Principal Implementer: Chemonics International.

### **Reduce Transmission & Impact Of HIV/AIDS**

Reduce Transmission and Impact of HIV/AIDS (\$990,000 CSH). USAID is assisting LGUs to plan and implement HIV/AIDS prevention, education, and other services using local funds. USAID is helping strengthen non-governmental organization (NGO) capacity to reduce the threat of HIV/AIDS among at-risk groups by supporting their financing and delivery of prevention activities. USAID is also supporting an improved policy environment for HIV prevention. Principal Implementer: Management Sciences for Health.

### **Support Family Planning**

Support Family Planning (\$15,840,000 CSH). As part of its continuing support to the Philippines effort to achieve "contraceptive self-reliance" (i.e., end its dependence on free contraceptives provided by USAID and other donors), USAID is continuing to help the private sector improve and expand its provision of voluntary family planning services. This includes increasing workplace support for and provision of family planning and health services, increasing private sector sales of contraceptives, and supporting the nationwide expansion of an accreditation service for private providers that will build consumer confidence in these services and keep them competitive. USAID is providing technical assistance and training to local government health personnel in up to 600 cities and municipalities nationwide and is continuing to improve the policy environment for the provision of voluntary family planning and health services. USAID is implementing communications activities, and is identifying and promoting additional family planning champions. USAID is providing technical assistance to expand implementation of the improved benefits package under the National Health Insurance Program (NHIP) to cover additional LGUs and beneficiaries. All family planning assistance agreements incorporate clauses that implement the President's directive restoring the Mexico City policy. Principal Implementer: Chemonics International.

### **FY 2007 Program**

#### **SO: 492-003 Desired Family Size and Improved Health Sustainably Achieved**

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health and Nutrition (\$600,000 CSH). USAID will continue to provide technical

assistance to increase the number of micronutrient-fortified foods on the market, increase their consumption, and ensure enforcement of food fortification laws. Principal Implementer: To Be Determined (TBD).

### **Improve Maternal Health & Nutrition**

Improve Maternal Health and Nutrition (\$3,762,000 CSH). USAID will continue to use the Development Credit Authority mechanism to improve and/or expand existing midwife clinics and facilitate the generation of commercial financing for the establishment of new midwife clinics. USAID will also provide training and technical assistance to private providers to improve their maternal health services. Principal Implementers: Chemonics International and WPMC Partnerships Foundation, Inc.

### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent and Control Infectious Diseases of Major Importance (\$4,000,000 CSH). USAID will continue to provide technical assistance and training to local government health personnel in up to 600 cities and municipalities. Principal Implementer: TBD.

### **Reduce Transmission & Impact Of HIV/AIDS**

Reduce Transmission and Impact of HIV/AIDS (\$990,000 CSH). USAID will assist LGUs to plan and implement HIV/AIDS prevention and education activities and other services using local funds. USAID will help strengthen NGO capacity to reduce the threat of HIV/AIDS among at-risk groups and support their financing and delivery of prevention activities. Principal Implementer: TBD.

### **Support Family Planning**

Support Family Planning (\$11,720,000 CSH). USAID will continue to provide technical assistance and training to local government health personnel in up to 600 cities and municipalities and will continue to create an improved policy environment for the provision of voluntary family planning and health services. USAID will continue efforts to help the private sector expand and improve its provision of family planning and other health services, including in the workplace, and thus increase the availability and affordability of contraceptives. USAID will continue to implement national and local communications activities, and will identify and promote additional family planning champions. USAID will continue support of the benefits package under the NHIP to cover additional LGUs and beneficiaries. All family planning assistance agreements incorporate clauses that implement the President's directive restoring the Mexico City policy. Principal Implementer: Chemonics International.

### **FY 2006 Program**

#### **SO: 492-004 Management of Productive, Life-Sustaining Natural Resources Strengthened**

### **Expand & Improve Access To Economic & Social Infrastructure**

Expand and Improve Access To Economic and Social Infrastructure (\$1,683,000 DA; \$594,000 ESF). USAID is electrifying 600 more households and is continuing support to community initiatives for economic use of renewable energy systems. USAID is also increasing its efforts to electrify schools in its target communities. USAID is maintaining strategic support of the power sector reform process, including assistance to the Energy Regulatory Commission and the promotion of clean and renewable energy. Principal Implementers: PA Consulting, Winrock, and the U.S. Department of Energy.

### **Improve Access To Clean Water & Sanitation**

Improve Access To Clean Water and Sanitation (\$2,980,000 DA). USAID is continuing to support the establishment of a Philippine Water Revolving Fund (PWRF) in partnership with the Japan Bank for International Cooperation (JBIC) to spur investment in water infrastructure. This partnership includes the implementation of policy and institutional reforms, strengthening the capacity of the administrator of the PWRF, and transferring approximately \$2,000,000 to a Development Credit Authority Guarantee. USAID is also continuing work with local governments to implement low-cost wastewater treatment facilities and public awareness campaigns on the health effects of poor sanitation. USAID is continuing efforts to promote appropriate sanitation and waste management in coastal tourism areas. Principal Implementers: Development Alternatives, Inc. (DAI), PADCO, and the Louis Berger Group.

### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management Of Natural Resources and Biodiversity (\$4,123,000 DA). USAID is intensifying support to local government and community forest and coastal management efforts in key sites. USAID is assisting in improving the management and protection of 51,170 hectares of forestlands, 168,111 hectares of coastal-marine areas, and 500 hectares of marine sanctuaries through supporting improved legislation, policy development, information and education, law enforcement, and expansion of sustainable livelihood options. USAID is also increasing emphasis on developing financing options for natural resource management, such as environmental user fees, in the forestry and coastal-marine sectors. USAID is conducting environmental law enforcement training for a range of local and national public and private institutions engaged in protection and conservation of critical biodiversity resources. Principal Implementers: DAI, Tetra-Tech, World Wildlife Fund, the Center for International Environmental Law, U.S. Peace Corps, and the U.S. Department of the Interior.

### **Reduce, Prevent & Mitigate Pollution**

Reduce, Prevent, and Mitigate Pollution (\$555,000 DA). USAID is continuing to strengthen the motor vehicle inspection system and promote the use of cleaner fuels. USAID is supporting the introduction of less-polluting technologies, public awareness campaigns to increase understanding of the health impacts of air pollution, and the promotion of public-private consumer alliance building aimed at improving driving habits and reducing traffic congestion to reduce air pollution. USAID is also helping to develop and implement solid and hazardous wastes disposal measures, with a focus on areas of high biodiversity. Principal Implementers: PA Consulting and DAI.

### **FY 2007 Program**

#### **SO: 492-004 Management of Productive, Life-Sustaining Natural Resources Strengthened**

### **Expand & Improve Access To Economic & Social Infrastructure**

Expand and Improve Access To Economic and Social Infrastructure (\$1,500,000 DA; \$1,000,000 ESF). USAID plans to electrify 1,910 more households using solar and micro-hydro systems and continue support to community initiatives for economic use of renewable energy systems, including school electrification. USAID expects to maintain limited to the energy sector reform, including assistance to the Energy Regulatory Commission and the promotion of clean and renewable energy. New implementers may be added to those mentioned above.

### **Improve Access To Clean Water & Sanitation**

Improve Access To Clean Water and Sanitation (\$1,300,000 DA). USAID plans to continue collaboration with JBIC and the Government of the Republic of the Philippines (GRP) in promoting the PWRF among the targeted users of the fund. USAID may assist in implementing policy and institutional reforms that encourage wider use of funds to enable the sustainability of the PWRF. USAID may assist selected water

utilities to improve their operational efficiency. USAID also plans to continue work with local governments in implementing low-cost wastewater treatment systems to improve access to sanitation. New implementers may be added to those mentioned above.

### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management Of Natural Resources and Biodiversity (\$3,730,000 DA). USAID plans to continue support for local initiatives that protect and sustainably manage an additional 93,204 hectares of natural forests, production forests, and coastal-marine ecosystems. These initiatives are supported by approved management plans, ordinances, budgets, and personnel. USAID expects to focus efforts to institute effective environmental law enforcement strategies that better integrate local and national efforts. As a means to expand improved natural resource management beyond current target areas, USAID plans to engage networks of local governments and key national agency partners to more widely promote good environmental governance. New implementers may be added to those mentioned above.

### **Reduce, Prevent & Mitigate Pollution**

Reduce, Prevent, and Mitigate Pollution (\$505,000 DA). USAID plans to continue work with the GRP and selected local governments in strengthening enforcement of and compliance with vehicle emission standards through a coordinated implementation of the vehicle inspection and maintenance program. USAID also expects to continue working with local governments to achieve a 25% waste diversion rate, including the establishment of improved waste disposal systems such as sanitary landfills. Efforts may be increased to support the GRP in developing programs and formulating policies that support local governments in improving solid waste management. New implementers may be added to those mentioned above.

### **FY 2006 Program**

#### **SO: 492-011 Increased Access to Quality Education and Livelihood Skills in Selected Areas**

### **Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education (\$10,098,000 DA). USAID's education program is focusing on improving instruction in reading, math, science, and English in the elementary schools of selected municipalities of the ARMM and the western Mindanao provinces of Zamboanga del Norte, Zamboanga del Sur, and Zamboanga Sibugay (Region 9) and the central Mindanao provinces of North Cotabato, South Cotabato, Sultan Kudarat, and Sarangani (Region 12). USAID is providing textbooks, resource materials, educational TV, and educational radio to participating schools, including Islamic schools, and their teachers will be trained in their use. USAID is also providing training and mentoring for parents and members of the local school boards to help them play more active roles in managing their children's education programs. Training local government officials in selected municipalities is enabling them to learn systems and processes for mobilizing more revenue for education and managing it effectively. USAID is also building or repairing school buildings and classrooms and providing school desks and chairs in selected disadvantaged communities. In communities where the Islamic school is the only option for students to study, USAID is assisting these schools to adopt the national standard curriculum for private Islamic schools. USAID is establishing or enhancing learning centers in selected communities to provide OSY the opportunity to earn elementary or secondary school equivalency or to return to formal education. Principal Implementers: Creative Associates International, Inc. (CAII), International Youth Foundation (IYF), Save the Children, Real World Productions, Knowledge Channel, Synergeia Foundation, Brother's Brother Foundation, the Asia America Initiative, and the U.S. Peace Corps.

### **Improve Quality of Workforce through Vocational/Technical Education**

Improve Quality of Workforce through Vocational/Technical Education (\$1,980,000 ESF). USAID is developing learning modules for livelihood and vocational skills, counseling, and on-the-job training for OSY. A USAID-funded 10-part video series on livelihood and business development skills is being screened in learning centers serving OSY under the Department of Education's Alternative Learning Systems (ALS) or vocational training programs. USAID is also setting up apprenticeship programs in the poorest, school-less and conflict-affected areas within the ARMM to help OSY improve their chances for future employment. Livelihood training and apprenticeship programs with local businesses for OSY are being expanded to additional municipalities within the ARMM and Regions 9 and 12. Principal Implementers: CAII, IYF, Save the Children, and the Knowledge Channel.

#### **FY 2007 Program**

#### **SO: 492-011 Increased Access to Quality Education and Livelihood Skills in Selected Areas**

##### **Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education (\$9,233,000 DA). USAID will expand the majority of the activities implemented in FY 2006. USAID will also broaden geographic coverage to municipalities or schools within the ARMM or Regions 9 and 12 not previously included in the program. USAID will increase funding school and classroom construction or repair, broaden the network of schools reached through distance education technologies, and train new teachers on the use of these resources. These distance education modules will also be made available to OSY participating in the ALS (informal education) program. USAID will provide textbooks and resource materials to approximately 200 additional schools and alternative learning centers. USAID will support the development of a 10-part video series on Peace Education for use in formal and informal education and vocational training programs for OSYs. Principal Implementers: IYF, the Knowledge Channel, Synergeia Foundation, and Brother's Brother Foundation.

##### **Improve Quality of Workforce through Vocational/Technical Education**

Improve Quality of Workforce through Vocational/Technical Education (\$2,000,000 ESF). USAID will expand livelihood training and apprenticeship programs for OSY to at least four additional municipalities in Mindanao. Apprentice-like work experiences in call centers, offices, shops, and factories will be set up for trainees in cities such as Davao and Cagayan de Oro. USAID will provide scholarships for post-secondary technical and vocational education, and university education for high school youth who show leadership and entrepreneurial skills. USAID plans to provide scholarships for university education, including graduate-level training in the United States, for selected high-achieving youth in such subjects as English language teaching, public administration, law, and education. Principal Implementer: IYF.

#### **FY 2006 Program**

#### **SO: 492-012 Conflict Reduced in Mindanao and Other Areas Vulnerable to Violence**

##### **Expand & Improve Access To Economic & Social Infrastructure**

Expand and Improve Access To Economic and Social Infrastructure (\$2,772,000 DA; \$3,149,000 ESF). USAID is funding the construction of 14 high visibility, medium-scale infrastructure projects (e.g., roads, ports, bridges), and 315 small-scale community infrastructure projects (e.g., piers, solar dryers, water systems) in CAAs to help spur economic development and provide tangible evidence that the widespread perception that the GRP is indifferent to the concerns of religious and cultural minorities is out-of-date. USAID may also improve justice system infrastructure (e.g., courthouses). USAID is helping improve educational facilities in at least 80 more schools through a matching grant program implemented with Parent Teacher Community Associations. USAID is continuing to provide computers and internet connection to at least 100 more schools in the CAAs. Principal Implementer: The Louis Berger Group (LBG).

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$1,400,000 ESF). USAID is continuing to strengthen Business Support Organizations (BSOs) such as chambers of commerce and producers' associations, and is focusing on their revenue generating capacity. Assistance in the production and marketing of commodities being produced in Mindanao (e.g., tuna, aquaculture products, fruits, and vegetables) is being provided to make producers more competitive in local and Asia-regional markets. USAID is also assisting an additional 3,000 former combatants to move into production and marketing of agriculture and aquaculture products. U.S. Department of Agriculture P.L. 480 Title I funds are contributing to the program by providing support for market development projects and pre- and post-harvest facilities. Principal Implementers: LBG with BSOs as partners. Another implementing partner may be added.

### **Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen The Financial Services Sector and Increase Access to Capital (\$2,000,000 ESF). USAID will continue providing technical assistance to rural and thrift banks, and credit unions. With USAID assistance, approximately 48 additional rural and thrift bank branches will begin serving microenterprises, and approximately 70,800 additional new microfinance borrowers will receive access to financial services. Principal Implementers: Chemonics International, Inc. and the World Council of Credit Unions. USAID will also support improvements in the provision of additional microfinance products. Principal Implementer: To Be Determined (TBD).

### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government and Decentralization (\$2,000,000 ESF). USAID is continuing to help the Government of the Autonomous Region in Muslim Mindanao (ARMM) and local government units (LGU) become more effective and transparent, with the aim of producing greater legitimacy, more local tax revenue, and better services. USAID will broaden its program to promote peaceful resolution of disputes associated with clan conflict, land disputes, and other sources of conflict. Principal Implementers: The Asia Foundation (TAF) and LBG.

### **FY 2007 Program**

#### **SO: 492-012 Conflict Reduced in Mindanao and Other Areas Vulnerable to Violence**

### **Expand & Improve Access To Economic & Social Infrastructure**

Expand & Improve Access To Economic and Social Infrastructure (\$500,000 DA; \$4,350,000 ESF). USAID plans to fund the construction of an additional 12 mid-scale and 220 community infrastructure projects in CAAs. USAID will provide computers and internet connection to 60 more schools. Principal Implementer: LBG.

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$3,500,000 ESF). USAID will continue strengthening BSOs in Mindanao. Assistance will help increase the volume and diversity of products that can be competitively exported to domestic and Asia-regional markets. USAID will also assist former combatants to move into agriculture/aquaculture production and marketing. The principal implementers will be LBG with BSOs as major partners. USAID plans to provide higher education and non-degree technical training in the United States and in leading Philippine universities to selected deserving students, with special emphasis on members of religious and cultural minorities in Mindanao, in such fields as economics, agriculture, law, computer science, and other fields that facilitate economic development. Principal Implementer: TBD.

**Support Democratic Local Government & Decentralization**

Support Democratic Local Government and Decentralization (\$1,750,000 ESF). USAID will continue to provide technical assistance and training to the ARMM Government and LGUs to improve their transparency, accountability, and effectiveness. USAID plans to further promote peaceful resolution of disputes associated with clan conflict, land disputes, natural resource-based conflicts, and other sources of conflict. Principal Implementers: TAF, LBG, and others TDB.

## **Results Framework**

### **492-002 Performance of Selected Government Institutions Improved**

#### **Program Title: Economic Governance**

- 2.1: Judicial efficiency improved
- 2.2: Corruption in Philippine Government institutions reduced
- 2.3: Revenue administration improved
- 2.4: Innovations in trade and investments promoted

### **492-003 Desired Family Size and Improved Health Sustainably Achieved**

#### **Program Title: Family Planning and Health**

- 3.1: LGU provision and management of FP/MCH/TB/HIV-AIDS services strengthened
- 3.2: Provision of quality services by private and commercial providers expanded
- 3.3: Greater access to family planning services achieved through public information and enhanced provider skills
- 3.4: Policy environment for financing and provision of services improved

### **492-004 Management of Productive, Life-Sustaining Natural Resources Strengthened**

#### **Program Title: Environment and Energy**

- 4.1: Supply of reliable, affordable and cleaner energy increased
- 4.2: Governance of forest, water, and coastal resources improved
- 4.3: Urban environmental management improved

### **492-005 Reduced Growth of Greenhouse Gas Emissions**

#### **Program Title: Environment and Energy**

### **492-007 Threat of HIV/AIDS and Selected Infectious Diseases Reduced**

#### **Program Title: Reduce HIV/AIDS and Selected Infectious Diseases**

### **492-010 Prospect for Peace in Mindanao Strengthened**

#### **Program Title: Conflict Resolution in Mindanao**

- 10.1: Reintegration of former combatants and their communities
- 10.2: Improving economic infrastructure in conflict-affected areas
- 10.3: Accelerating economic and business development of Mindanao
- 10.4: Increasing access to microfinance services
- 10.5: Improving governance and delivery of social services in the ARMM

### **492-011 Increased Access to Quality Education and Livelihood Skills in Selected Areas**

#### **Program Title: Education**

- 11.1: Access to learning opportunities increased
- 11.2: Improved quality of instruction for reading, English, math and science
- 11.3: Out-of-school youth reintegrated into a productive economy
- 11.4: Improved policies and strengthened capacity for implementation

### **492-012 Conflict Reduced in Mindanao and Other Areas Vulnerable to Violence**

#### **Program Title: Conflict Reduced in Mindanao and Other Areas**

- 12.1: Development of needed economic infrastructure
- 12.2: Expansion of economic opportunity in CAAs
- 12.3: Improvement of governance and social services